

STATEMENT OF PURPOSE

RS19828

Access to capital is a critical component of the success of existing and new small business and their creation of jobs. The Idaho Small Business Venture Capital Investment and Jobs Act helps create Idaho jobs by increasing access to capital for small business (less than 20 employees) by offering a 50% tax credit on capital gains from venture capital investments in qualifying small Idaho businesses. The act includes a five-year sunset. This legislation could create a substantial number of new Idaho jobs in the first year.

FISCAL NOTE

State General Fund: None unless and until the equity investment can be sold at a gain. New jobs and increased corporate taxes created through venture capital investment in Idaho should more than offset the cost of any earned tax credit. In addition, the positive impact to the general fund is magnified because jobs are created before the credit is earned.

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